1	2	3	4
6.	Gujarat	2003	3
		2004	7
		2005	7
		2006 (upto May)	1

Note: Uttar Pradesh Government has reported that there have been six cases of suicide by farmers in the Bundelkhand area of the State, but none of these cases are found related to the recovery of agricultural loans or to any coercive methods.

Rural Indebtedness

*52. SHRI T.T.V. DHINAKARAN: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government are aware of rural indebtedness which is alarmingly on the increase in the country;

(b) if so, the reaction of Government on the dimension and prevalence of rural indebtedness; and

(c) whether Government declare it a national problem and work out a national scheme to tackle this?

THE MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR): (a) to (c) The Government is concerned about dependence of farmers on informal sources of credit including private money lenders for meeting their credit requirements and has taken several measures for facilitating adequate avilability of institutional credit. Some of the important initiatives are:—

(i) In order to improve the flow of institutional credit and mitigate the distressing situation of farmers due to the problem of indebtedness, the Government of India on 18.6.2004 announced a special farm credit package. The package envisages that credit to agriculture sector will double in next three years. Following are the highlights of this announcement:—

- Credit flow to agriculture sector to increase @ 30% per year.

- The branches of Commercial Banks and Regional Rural Banks to be energized to enhance the flow of agricultural credit.
- Under special agricultural credit plan, atleast 100 new farmers should be financed at each rural and semi urban branches during the current year, resulting in enrolling about 50 lakh new borrowers.
- Provide credit to tenant farmers and oral lessees.
- Debt restructuring and relief for:
  * Farmers in distress
  * Farmers in arrears
  * OTS for small and marginal farmers
- Loans to farmers for redemption of debts from non-institutional lenders.
- Refinements in Kisan Credit Card (KCC) Scheme and revisiting of Scales of Finance and realing the same to meet the realistic credit needs of the farmers.
- Facilitate formation and financing of self-help groups of tenant farmers and oral lessees to provide credit to this category of farmers.

(ii) In the Union Budget for the year 2006-07, it has been announced that effective from Kharif 2006-07, farmers would receive crop loans up to a principal amount of Rs. 3 lakhs at 7% rate of interest and the Government would provide necessary interest subvention for this purpose.

(iii) Keeping in view the importance of flow of credit to agriculture, in particular to the smaller borrowers who may not have the necessary assets as collateral, the banks have been advised to waive margin/security requirements for agricultural loans up to Rs. 50,000/-

(iv) The Government has constituted an Expert Group under the Chairmanship of Prof. R. Radhakrishna, Director, Indira Gandhi Institute of Development Research, Mumbai to look into the problems of Agricultural indebtedness in its totality and suggest measures to provide relief to farmers across the country.